

## Message Text

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ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 ACDA-19 AEC-11 AF-10 ARA-16

CIAE-00 DODE-00 EA-11 PM-07 H-03 INR-10 L-03 NASA-04

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FM USMISSION USUN NY

TO SECSTATE WASHDC 9725

INFO AMEMBASSY MOSCOW

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION NATO

USMISSION GENEVA

C O N F I D E N T I A L USUN 3525

E.O. 11652: GDS

TAGS: PFOR, PARM, UN, UR

SUBJ: SOV PROPOSAL ON REDUCTION OF MILITARY BUDGETS

(ROB)

DISTO

1. BEGIN SUMMARY: DURING GENERAL REVIEW OF DISARMAMENT  
SUBJECTS ON SEPT. 28 BETWEEN SOV FONOFF DISARMAMENT  
OFFICIAL (SHUSTOV) AND US DELOFF (NEIDLE), SHUSTOV RAISED  
QUESTION OF NEW SOV PROPOSAL TO REDUCE BY 10 PERCENT  
MILITARY BUDGETS OF ALL PERM MEMBERS OF SC. DURING COURSE  
OF CONVERSATION SHUSTOV INDICATED THAT SOVS DO NOT HAVE  
IN MIND MAKING ANY DETAILED DATA AVAILABLE ABOUT SPECIFICS  
OF SOV MILITARY EXPENDITURES BECAUSE FULFILLMENT OF  
PROPOSAL WILL BE "VERIFIED" WHEN REQUIRED PERCENTAGES  
OF DECLARED BUDGETS ARE TURNED OVER TO SPECIAL CMTE  
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FOR DISTRIBUTION TO LDC'S. SHUSTOV ALSO INDICATED THAT

SOVS HAVE IN MIND ESTABLISHMENT OF SPECIAL CMTE PURSUANT TO SOV DRAFT RES ONLY IF ALL FIVE SC PERM MEMBERS DECLARE THEIR READINESS TO CUT THEIR BUDGETS BY 10 PERCENT. IF ANY OF PERM MEMBERS ARE NOT PREPARED TO DO SO, THEN IN SOV VIEW THERE WOULD BE NO POINT IN ADOPTING SOV RES ESTABLISHING SPECIAL CMTE BECAUSE THEIR WOULD NOT BE FUNDS FROM ANY PERM MEMBER THAT COULD BE DISTRIBUTED BY SPECIAL CMTE. END SUMMARY.

2. SHUSTOV ASKED US DELOFF WHETHER HE WOULD COMMENT ON SOV PROPOSAL FROM STANDPOINT OF DISARMAMENT. US DELOFF RESPONDED THAT USG HAD PROPOSAL UNDER CAREFUL CONSIDERATION AND THEREFORE HE COULD NOT GIVE ANY OFFICIAL REACTION. SHUSTOV SAID SOVS DID NOT AGREE WITH ASSESSMENT OF PROPOSAL AS MERELY A RE-HASH OF OLD IDEAS WHICH WAS WHAT BRITISH FONMIN HAD STATED TO ASSEMBLY. PROPOSAL SHOULD BE VIEWED AS NEW IDEA SINCE, IN PAST, PROPOSALS FOR BUDGET CUTS HAD BEEN INTENDED AS A WAY OF STARTING SERIES OF REDUCTIONS, WHEREAS PRESENT PROPOSAL WAS FOR ONE-TIME CUT AND ASSIGNMENT TO DEVELOPMENT. US DELOFF SAID THAT, IN PAST, THERE HAD BEEN GREAT DEAL OF DISCUSSION OF PROBLEMS OF DISARMAMENT THROUGH BUDGET CUTS, AND BOTH HE AND SHUSTOV, AS EXPERIENCED DISARMAMENT OFFICIALS, KNEW THAT EARLIER PROPOSALS HAD ALWAYS RAISED SIGNIFICANT PROBLEMS OF VERIFICATION. WHILE MAKING CLEAR THAT HE WAS NOT OFFERING ANY OFFICIAL USE REACTION, US DELOFF RECALLED THAT, IN PAST, THESE PROPOSALS HAD NOT GOTTEN VERY FAR, IN PART, BECAUSE THERE SEEMED TO BE NO WAY OF KNOWING, WHEN A PERCENTAGE CUT WAS CALLED FOR, WHETHER IN FACT THE PUBLICALLY DECLARED SIZE OF A MILITARY BUDGET REPRESENTED THE FULL MILITARY EXPENDITURES OF THAT COUNTRY AND, THUS, THERE HAD BEEN NO WAY TO HAVE CONFIDENCE THAT PERCENTAGE CUTS OF DECLARED BUDGETS WOULD RESULT IN EQUAL PERCENTAGE REDUCTIONS OF ACTUAL MILITARY SPENDING.

3. SHUSTOV SAID THAT US BUDGET FOR NEXT YEAR WOULD BE SOME 80 BILLION, ALTHOUGH CONGRESS MIGHT REDUCE THAT BY A FEW BILLION, AND SOVIET MILITARY EXPENDITURES WERE ABOUT 30 BILLION RUBLES (SIC). IF SOV PROPOSAL WERE ACCEPTED, CONFIDENTIAL

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US AND OTHERS COULD SEE WHEN THE USSR TURNED OVER THE REQUIRED PERCENTAGE TO DEVELOPEMENT, AND THIS WOULD VERIFY THAT SOVS WERE COMPLY ING WITH THE PROPOSAL. US DELOFF EXPLAINED WHY HE COULD NOT SEE LOGIC OF THIS ASSERTION, AND ASKED WHETHER SOVS HAD IN MIND, IN CONNCECTION WITH PRESENT PROPOSAL, MAKING AVAILABLE PUBLICALLY DATA GIVING SPECIFIC AND DETAILED BREAKDOWN OF "THE 30 BILLION" WHICH SHUSTOV SAID SOVS

SPENT FOR DEFENSE. SHUSTOV REPLIED THAT THERE WAS NO NEED UNDER SOV PROPOSAL TO DO THIS.

4. US DELOFF ASKED WHETHER SHUSTOV COULD CLARIFY A POINT INVOLVED IN SOV DRAFT RES ON ROB IN LIGHT OF GROMYKO'S STATEMENT. DELOFF NOTED THAT GROMYKO'S STATEMENT SAID THAT ROB MEASURE REQUIRED PARTICIPATION OF ALL SC PERM MEMBERS. HE ALSO NOTED THAT SOV RES CALLED FOR ESTABLISHMENT OF SPECIAL CMTE, LEAVING NAMES OF MEMBERS BLANK. SOVS MUST SURELY HAVE THOUGHT THERE WAS SOME POSSIBILITY THAT ONE OR MORE SC PERM MEMBERS MIGHT NOT AGREE TO PROPOSAL, OR AT VERY LEAST, MIGHT NOT BE PREPARED TO SAY BY END OF THIS GA THAT THEY WOULD CUT THEIR BUDGETS BY 10 PERCENT . WAS SOV INTENTION TO ADOPT RES ESTABLISHING COMMITTEE EVEN IF ALL SC PERM MEMBERS HAD NOT TAKEN FAVORABLE DECISION? SHUSTOV REPLIED THAT SOV PROPOSAL WAS ONLY DESIGNED TO BE OPERATIVE IF ALL FIVE PERM MEMBERS DECLARED THEIR WILLINGNESS TO CUT BUDGETS BY 10 PERCENT AND TO TRANSMIT REQUIRED PERCENTAGE TO SPECIAL CMTE. IF THIS CONDITION WAS NOT MET, THERE WAS NO POINT IN ESTABLISHING THE CMTE; NONE OF THE PREM MEMBERS WOULD BE CUTTING ITS BUDGET UNLESS ALL DID, AND CMTE WOULD HAVE NO FUNCTION BECAUSE IT WOULD HAVE NO MONEY TO DISTRIBUTE. US DELOFF SAID HE WELCOMED THIS CLARIFICATION BECAUSE THERE WAS ALWAYS RISK THAT SOME OF THE NON ALIGNED,, ONCE THEY GOT HOLD OF PROPOSAL, WOULD WANT TO ESTABLISH CMTE IN ORDER TO HAVE FORUM FOR URGING USSR AND PERHAPS ONE OR TWO OTHER PERM MEMBERS TO CUT THEIR BUDGETS EVEN IF NOT ALL PERM MEMBERS WERE PREPARED TO DO SO. SHUSTOV SAID THAT IT WAS CERTAINLY NOT SOV INTENTION THAT THEIR PROPOSAL SHOULD HAVE THIS OUTCOME.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISARMAMENT, MILITARY BUDGET  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973USUNN03525  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS SCALI  
**Errors:** N/A  
**Film Number:** n/a  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 3  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12-Oct-2001 by shawdg>; APPROVED <10-Dec-2001 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SOV PROPOSAL ON REDUCTION OF MILITARY BUDGETS (ROB)  
**TAGS:** PFOR, PARM, UR, UN  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005